



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 1148 (1962)

February 25, 1985

SUBJECT: Administrative Setoffs

TO: All State Directors, Farmer Programs Chiefs,  
District Directors, and County Supervisors

Purpose/Intended Outcome:

The purpose of this AN is to eliminate confusion concerning administrative setoffs.

Comparison with Previous AN:

This AN replaces FmHA AN No. 902 (1962) which expired August 31, 1984. There are no changes from the previous AN.

Implementation Responsibilities:

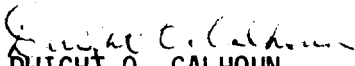
Setoffs (offsets) under Section 1962.48 of FmHA Instruction 1962-A, "Servicing and Liquidation of Chattel Security," are no longer legally permitted.

On October 25, 1982, the President signed P.L. 97-365 amending 31 U.S.C. 954 dealing with administrative setoffs. FmHA must stop collecting debts by administrative setoffs until its regulations can be amended to comply with the new law's requirements.

Section 1962.48 will have to be completely rewritten to include the requirements of P.L. 97-365. Form letters to the debtor and to the agency owing money to the FmHA will have to be developed.

No future payments will be collected based on Administrative setoffs taken on or after October 25, 1982. For those setoffs which were enacted before October 25, 1982, you will continue to collect as per your agreement.

Until further notice, you will abide by this AN. If any problems occur or you have any questions regarding administrative setoffs, State Directors should contact Farm Real Estate and Production Division for advice and assistance.

  
DWIGHT O. CALHOUN  
Acting Associate Administrator

EXPIRATION DATE: September 30, 1985

FILING INSTRUCTION:  
FmHA Instruction 1962-A